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BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 96-018-C -- ORDER NO. 96-698
OCTOBER 9, 1996

IN RE:

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|-------------------------------|---|--------------------------|
| Generic Proceeding Addressing |) | ORDER GRANTING MOTION TO |
| Local Competition in the |) | HOLD HEARING IN ABEYANCE |
| Telecommunications Industry |) | AND DENYING ALTERNATE |
| in South Carolina. |) | MOTION AND MOTION FOR |
| |) | HEARING AND TO ESTABLISH |
| |) | PREFILING DEADLINES |

This matter comes before the Public Service Commission of South Carolina (the Commission) on various motions filed by the South Carolina Telephone Coalition (SCTC) and MCI Communications Corporation (MCI). South Carolina Telephone Coalition has moved this Commission for an Order holding in abeyance the hearing scheduled for October 28, 1996 in this docket. MCI has proposed an alternative motion to SCTC's motion and has also moved to set a hearing and establish prefiling deadlines. For the reasoning stated herein, the motion to hold the hearing in this Docket in abeyance is granted, and the alternative motion and motion to set hearing and establish prefiling deadlines is denied.

SCTC requests that this Commission hold the hearing presently scheduled for October 28, 1996 in abeyance. §254 of the Telecommunications Act of 1996 requires that a Federal-State Joint Board on Universal Service be established

and that the Joint Board make its recommendations to the Federal Communications Commission nine months after date of enactment of the Federal Act. With this statutory deadline, the Joint Board's recommendation will be made on or before November 8, 1996, less than two weeks after the scheduled Commission hearing. The FCC is required to complete a proceeding to implement the Joint Board's recommendation no later than May 8, 1997. According to SCTC, because the FCC's actions on the Federal level will impact any actions which may need to be taken on a State level with respect to Universal Service, it makes sense to hold in abeyance the State proceeding on Universal Service until the Commission and parties have a clearer idea of the direction in which the Joint Board and the FCC will move with respect to Universal Service. This will allow the Commission to ensure that its plans do not conflict with Federal policies and procedures.

According to the SCTC, even if the hearing is held in abeyance, the Commission can still meet its deadlines for actions on Universal Service under State law. S.C. Code, Ann. §58-9-280(C)(5) requires only the adoption of a Universal Service Policy by the Commission which must be consistent with applicable Federal law. Accordingly, SCTC requests that the Commission hold in abeyance the hearing presently scheduled for October 28, 1996 in this matter.

MCI filed a return to SCTC's motion and alternately moved that the Commission hold in abeyance proceedings regarding Universal Service only if implementation of the Interim LEC Fund

contemplated by S.C. Code, Ann. §58-9-290(1)(m) will also be held in abeyance. MCI asserts that a delay in implementation of interim LEC funding will in no way be detrimental to eligible LECs in South Carolina, in that current methods of funding Universal Service will continue uninterrupted. Additionally, according to MCI, any interim Universal Service funding structures are required to be consistent with §254 of the Federal Telecommunications Act. MCI further states that should the Commission determine that the interim LEC funding procedures outlined in Order No. 96-545 should not be held in abeyance. MCI submits that a hearing on all Universal Service issues should be held to include the matters raised by MCI's separate motions.

The separate motions referred to by MCI are a motion to set a hearing on the Interim LEC Fund issue, and to establish prefiling deadlines accordingly.

We have examined the motions made by the parties. We hereby hold that the motion to hold the hearing in abeyance filed by the South Carolina Telephone Coalition is hereby granted. We agree that a delay in the hearing would be helpful in order to ascertain the policies to be formulated by the Federal-State Joint Board on Universal Service and the Federal Communications Commission. We also hold that all prefiling dates shall be held in abeyance until further notice.

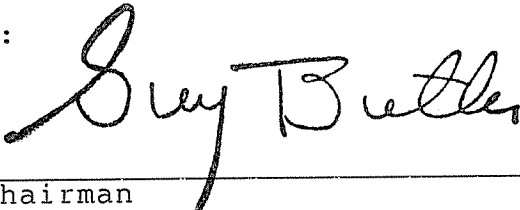
We deny the alternative motion filed by MCI. We find that South Carolina Code, Ann. §58-9-280(M) states that the Commission must, not later than December 31, 1996, establish an

interim LEC fund. We therefore believe that we may not hold in abeyance the implementation of the interim LEC fund due to the statutory deadline imposed by the General Assembly, and the procedures set up by us and outlined in Order No. 96-545. We note that, while North Carolina held in abeyance its proceeding on its interim LEC fund, North Carolina had not passed a statute similar to our 58-9-280(M) which set a specific deadline for the establishment of the interim LEC fund. We therefore deny the alternative motion filed by MCI.

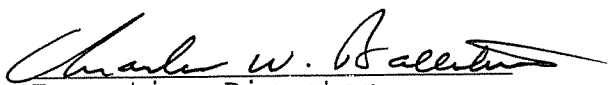
Further, at this time, we deny MCI's motion to set a hearing and establish prefiling deadlines as premature and inconsistent with our Order No. 96-545. We believe that our procedures as outlined in that Order are appropriate and that MCI's motion to set a hearing and establish prefiling deadlines must therefore be denied.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director
(SEAL)